



17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

MORGAN HILL

FINANCE AND AUDIT COMMITTEE

Morgan Hill Civic Center
Administration Conference Room
17555 Peak Avenue
Morgan Hill, California

Committee Member
Committee Member
City Treasurer
Staff: Finance Director

Steve Tate
Greg Sellers
Mike Roorda
Jack Dilles

SPECIAL MEETING

Wednesday, September 25, 2002

MINUTES

5:30 P.M.

CALL TO ORDER

Committee Members Tate & Roorda; Committee Member Sellers arrived at 6:00 P. M.;
Staff: Dilles

DECLARATION OF POSTING OF AGENDA

In compliance with Government Code 54954.2

PUBLIC COMMENTS

The Morgan Hill Finance and Audit Committee welcomes comments from all individuals on any agenda item being considered by the Committee. In the interest of brevity and timeliness and to ensure the participation of all those desiring an opportunity to speak, comments presented to the Committee are limited to Three Minutes.

BUSINESS:

1. Selection of Committee Chair

This item was deferred.

2. Approval of minutes for August 29, 2002.

The minutes for August 29, 2002 were approved.

3. Proposed Fiscal Policies

Staff briefly presented proposed fiscal policy concerning reserves and designations. The current version of the policy reflected changes previously suggested by the Committee. Committee Member Tate suggested that the policy be supplemented with more visual charts or graphs and that City Council questions be anticipated so that the discussion by the City Council will be a fruitful one.

Committee Member Roorda indicated that staff should reflect the effect that the proposed General Fund reserves and designations would have on the future projected fund balance over time. The Committee agreed that staff should run such projections by Committee Member Roorda for review.

Staff indicated that the Committee's comments would be incorporated and that the proposed reserves and designations policy would be brought to the City Council for discussion following further review by Committee Member Roorda.

4. Investing to Benefit the Local Economy (Discussion)

Staff presented a verbal report, indicating that representatives from both South Valley Bank and Heritage Bank had been contacted by staff regarding the potential investment of idle City monies with these banks so that these local banks would benefit the local community. Both banks sounded interested and will get back to staff with ideas and/or proposals within several weeks. In addition, staff asked each bank to provide information regarding their success in meeting Community Reinvestment Act requirements that mandate investment in the local community.

5. Financial and Investment Report for August 2002

This item was briefly discussed.

6. Final Financial and Investment Report for June 2002

This item was briefly discussed. Treasurer Mike Roorda will make a presentation regarding this report to the City Council at the City council meeting later this evening.

7. Sales Tax Rate Increases in Other Cities (discussion)

Staff presented a brief verbal report concerning the fact that various cities across the State have had special legislation passed allowing them to take sales tax increase for various purposes to their local voters for approval. Normally, a local sales tax must be approved by voters throughout the applicable county rather than just within one city. Discussion ensued in which Committee Members indicated that they want to discuss this in the context of the City's financial needs, including fire master plan implementation services and park

& recreation services. Staff indicated that this would be a future agenda item for further discussion.

5. Future Agenda Items
No additional items.

ADJOURNMENT

NOTICE

AMERICANS WITH DISABILITY ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City.

If assistance is needed regarding any item appearing on the City Council agenda, please contact the Office of the City Clerk at 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation.